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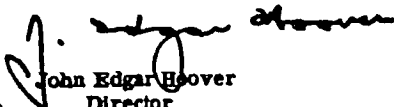
Director
Central Intelligence Agency
Washington, D. C. 20505

Attention: Deputy Director, Plans

Dear Sir:

For your information, I am enclosing communications which may be of interest to you.

Very truly yours,


John Edgar Hoover
Director

Enc.

(Upon removal of classified enclosures, if any, this transmittal form becomes UNCLASSIFIED.)

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FORM 2227

(40-473)

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(1-10-50)

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT

SAN FRANCISCO

FILE NO. 100-2-70

REPORT MADE AT SAN FRANCISCO	DATE WHEN MADE 4/1/52	PERIOD FOR WHICH MADE 2/1/52-3/1/52	REPORT MADE BY WILLIAM A. COHENDET
TITLE SIMSA KOSUTIC			CHARACTER OF CASE INTERNAL SECURITY - YU
SYNOPSIS OF FACTS: SIMSA KOSUTIC continued as Consul at the Yugoslav Consulate General, San Francisco during the period 4/1 through 5/1/52. He maintained his interest in inheritance matters and in political activity on the part of emigrants. Through friendship with FRANCES MORRISON, a student at the University of California, Berkeley, KOSUTIC endeavored to secure the aid of WILLIS MORRISON, a Los Angeles attorney, in the legal action in the Federal District Court in Los Angeles, pertaining to the case of ANDREW ARUNDVICH. This individual declined to participate. KOSUTIC attempted to organize local Yugoslav groups to protest the London Conference on Trieste in April 1952.			
- P -			
DETAILS All informants described by T symbols in this report are considered of known reliability, unless otherwise indicated. SIMSA KOSUTIC continued as Consul at Yugoslav Consulate General, 461 Market Street, San Francisco, during April and May 1952. He continued to reside at 355 Pacheco Street, San Francisco with his wife, MAGDA, his son STEVE, and Vice Consul MIODRA VITOROVIC. PERSONAL CONTACTS KOSUTIC, during this period, maintained his associations with persons mentioned in previous reports. One such person was FRANCES MORRISON, a student			
APPROVED AND FORWARDED [Signature]	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
5 Bureau (105-13636) (REGISTERED) 1 Los Angeles (Info.) (REGISTERED) 1 Chicago (Info.) (REGISTERED) 1 Denver (Info.) (REGISTERED) 1 New York (Info.) (REGISTERED) 3 San Francisco (105-751)		This is an FBI Confidential document and its contents are not to be distributed outside of agency to which loaned.	

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at the University of California at Berkeley, who resides at the International House on the campus. She is a member of the World Affairs Council in San Francisco. KOSUTIC desired her to secure some books from the Council for him, which he, as an individual, could not get. FRANCES MORRISON agreed to help him. (T-2, 4/2/52).

KOSUTIC was to meet MORRISON at the International Festival in Berkeley on May 15, 1952. (T-2, 5/14/52).

KOSUTIC told MORRISON that he wished to speak with her father about a proposition he had made to him earlier. MORRISON's father, WILLIS MORRISON, is an attorney in Los Angeles, telephone number, REinstead 4-420. Neither KOSUTIC nor FRANCES MORRISON disclosed at the time what the proposition was. (T-2, 5/26/52).

It was learned that KOSUTIC planned to fly to Los Angeles on May 27, 1952, although the reason for his making this trip was not given. (T-2, 5/26/52).

It was known that KOSUTIC wanted to see Rev. MIRKO VUISICH, GEORGE KOWACJEVIC and EDWARDJIC while he was in the Los Angeles area. He planned to stay at the Embassy Hotel, Los Angeles. (T-2, 5/27/52).

As of May 28, 1952, the Consulate's belief was that KOSUTIC's stay in Los Angeles would be of about one week's duration. (T-2, 5/28/52).

As of May 29, 1952, KOSUTIC had not yet seen the person whom he had come to Los Angeles to see, but he had seen K.A. MUICK and Rev. MIRKO VUISICH. (T-2, 5/29/52). On the same date, it was learned that KOSUTIC had come to Los Angeles to see WILLIS MORRISON, who was an attorney, to get him to enter the ANDREW ARTUNOVICH case as a representative of Yugoslav government, along with the present attorney, RONALD WALKER. MORRISON declined to enter the case unless asked to by WALKER. Both KOSUTIC and RAPKO IVANCEVIC, the Consul General, agreed that this was a ticklish matter, and they felt they should not pursue it further. (T-2, 5/29/52).

KOSUTIC decided to return to San Francisco May 31, 1952. (T-2 5/29/52).

Another person that KOSUTIC saw was the Serbian Orthodox Priest in San Francisco, DOSETEK OBRADOVICH. OBRADOVICH planned to come to the Consulate to pick up some motion picture films. (T-2, 4/16/52). He did, come to the Consulate and discussed unidentified persons with KOSUTIC. (T-2, 4/16/52).

KOSUTIC tried to contact LEO ORJICIC, who is the printer employed by the San Francisco Yugoslav-American Herald. He encountered CHARLES CVETKOVICH, the Serbian editor instead. KOSUTIC told CVETKOVICH that he had wanted to talk to

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KOSUTIC to find out why he was not receiving his subscription to the newspaper. CVETNOVICH told him that he could tell him why. It was because he declined to send his newspaper to the Yugoslav Consulate, which was the address that KOSUTIC had placed on his subscription order. KOSUTIC expressed a desire to meet CVETNOVICH for a talk. CVETNOVICH was noncommittal on this point, and then went on to criticize present-day Yugoslavia as being unable to handle its own internal affairs. (T-2, 4/24/52).

KOSUTIC intended to see BOZO GALEB of Supertino on May 18, 1952, but was unable to do so. GALEB told KOSUTIC that he had expected to see KOSUTIC at the Slovane picnic on May 18, 1952. KOSUTIC expressed surprise at hearing about this picnic, which was sponsored by the Santa Clara and Watsonville Slovenes, because he had not been invited. KOSUTIC made plans to see GALEB on May 20, 1952 and expressed the desire to see JOVOKEROVIC, who he understood regularly attended Serbian meetings. (T-2, 5/19/52).

KOSUTIC contacted persons he had seen on earlier occasions, such as MAT KOVACEVIC, of Los Angeles, MERRA MALLEY, of Tacoma, and WILLIAM B. SHELLEY, of Los Cruces, New Mexico. KOSUTIC told MALLEY that he would appreciate hearing from him; and to SHELLEY he recalled his visit of a long time ago, commenting that he had not heard about SHELLEY for so long, that he had been happy to hear even a few words from him. (T-1, 3/28/52).

KOSUTIC had a number of things to do when he went to Los Angeles, one of which was a notation to call NIKOLA RETHOVIC to gather the details from him concerning the Chetniks, which he had promised. (T-1, 3/28/52).

A man, MILE MARINOVICH, of Whittier, California, contacted KOSUTIC in January 1952 after the latter's visit to Los Angeles. MARINOVICH mentioned that he had met KOSUTIC at the residence of Rev. VUISICH on January 14, 1952, and he was sending KOSUTIC a copy of an article concerning the Church celebration of November 1951, which KOSUTIC had attended and which was published in the newspaper, "Jedinstvo." (T-1, 3/12/52).

Vice Consul MIODRAG VITOROVIC went to Denver in March 1952. Before he left KOSUTIC contacted persons he had met in that area on previous occasions asking them to do all in their power to assist VITOROVIC during his visit there. The persons so contacted were as follows.

PETER JOVANOVIC, 3807 East Seventh Street, Denver
ANTHONY MEHELICH, 2570 Quitman Street, Denver
MILAN VOMER
MIKE KOPOVICH, 44 Washington Street, Denver (T-1, 3/4/52).

EDITH OSTER, who is employed by the Columbia Motion Picture Studio in

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Los Angeles, was going to Yugoslavia this year, and he was asked by KOSUTIC to come into the Consulate when he returned from his trip in order that they might discuss the visitor's impressions of Yugoslavia. (T-2, 5/12/52).

POLITICAL EFFORTS

KOSUTIC continued his drawing up of reports on political situations as follows.

"Just recently we have noticed an increase in the activity on the part of the displaced persons in California.

"The Chetniks and the Ustashis are coming in increasing numbers to this territory. They have already formed several of their radio hours which we know about and which are being broadcasted from Los Angeles, San Francisco, Sacramento and San Jose.

"In Sacramento, the Chetniks have broken up an existing Serbian organization, forming a new one, that is their own and which was immediately affiliated with the S.N.S. (Serbian National Defense).

"This year's Saint Sava festival in San Francisco has surpassed all the others inasmuch as it was not a local affair as it had been up to this year. This year's festival was more of a general assembly of all Chetnik members from California, some of the members coming from as far away as San Diego, Los Angeles, Sacramento, etc. These people appeared on the platform individually, at which time they would make attacks on our country in favor of their own group.

"The Ustashis have organized a picnic."

KOSUTIC listed material in the political field as follows.

KOSUTIC said he had learned through a man named CVETKOVIC (there is a CHARLES CVETKOVICH, who is editor of the 'San Francisco Yugoslav-American Herald' who might be the individual KOSUTIC is referring to) that a man named RADAKOVICH in Chicago, first name unknown, had disclosed that LOBODAN BRASHKOVIC had bought a hotel in New York for \$80,000.00, making a \$15,000.00 down-payment for it. It was said that DP Serbians would donate \$2.00 a month for this project, where other arriving DPs would have a place to stay. This CVETKOVICH also promised an un-named priest (probably DOBRYE CERAPOVICH) that he would increase his anti-Tito articles and would increase his attacks against the Serbian National Defense, with whom he had become unfriendly. CERAPOVICH also had become opposed to the Serbian National Defense, putting some members of this organization out of his Church. KOSUTIC also noted that he had heard from an un-named source that the United States government had purchased a house in Paris for PETER KAPADJORDJEVIC (King PETER) for \$350,000.00. (T-1, 3/28/52).

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KOSUTIC made a study of the situation of political affairs in the Philippine Islands under the following headings for reasons unknown to the source.

- "1. (a) Relations between the Philippines and the other countries after July 4, 1946.
(b) Relations with the USA.
- "2. Investment of American capital in the Philippine Industry:
(a) Before World War II
(b) After World War II
- "3. Investment of Japanese capital before World War II.
- "4. Japanese Colony influence on the Philippines' internal situation of their country.
- "5. Chinese Colony.
(a) Her political and economical influence.
- "6. Participation of the Philippines in the struggle against the Japanese Occupation during World War II.
- "7. Development of the movement under the leadership of Communist Party Philippines.
(a) Perspectives of their struggle.
(b) Whose financial and political support they have.
- "8. Relations between the Philippines and Japan after the signing of the Japanese Peace Treaty.
(a) Commercial exchange
(b) Cultural cooperation"

TRIESTE PROBLEM

During April 1952 the Yugoslav press carried many articles criticizing the London Conference, which was called by the United States and Great Britain to confer with Italy on the civil administration of Zone A in Trieste. The Yugoslav press was critical because Yugoslavia was not invited to attend a discussion of the situation which they considered vital to them. "Press Wireless," 1475 Broadway, New York City, in its Tanjug releases of March 29 and April 21, 1952, mentioned that Yugoslavia could consider no conclusions which might be reached at London as binding because Yugoslavia was not present. RAPO IVANCEVIC was instructed to put pressure on the emigrants, as well as "foreigners" in this matter. (T-2, 4/2/52).

On April 2, 1952, KOSUTIC discussed this situation with PETER KUNACK,

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a Slovene-American of San Francisco. KOSUTIC thought that KURNICK was a member of the committee being formed among the Slovenes to welcome Dr. ALES BEBLER, the Yugoslav delegate to the United Nations. KURNICK advised KOSUTIC that he was not on the committee. KOSUTIC then launched a discussion concerning what he called the recent "Fascist-inspired demonstrations" in Trieste, which allegedly were seeking to have that city turned over to Italy. KOSUTIC claimed it was necessary for the Slovenes to get together with the other Yugoslavian groups to protest any action which would give Trieste to Italy. KOSUTIC claimed that the Fascists all over the world were working toward getting Trieste for Italy. KOSUTIC felt that Dr. BEBLER would discuss this very issue when he came to San Francisco, but he felt that it would be very good if an appeal could be drafted before BEBLER's arrival, which appeal would be to the United States Government demanding that a favorable decision (to Yugoslavia) be reached concerning Trieste.

PETER KURNICK asked KOSUTIC what he thought the Soviet Union would think about the situation, and KOSUTIC expressed the belief that Soviet Union would be very pleased to see Italy be given Trieste so that they then could tell the Yugoslavs that Italy would never have gotten Trieste if Yugoslavia had stayed allied with the Russians. KOSUTIC suggested that if the Slovenes were going to have another meeting before the banquet for BEBLER, they should discuss this matter and try to draw the appeal which would say that they were Americans of Slovenian extraction asking for a democratic solution of the Trieste question; that is, to give the city to the majority people, the Slovenes. KURNICK said that no more meetings were planned before the banquet, which KOSUTIC considered to be an unfortunate situation.

KOSUTIC then urged KURNICK to write a letter to the Slovene press urging all Slovenians to band together to take positive action. KOSUTIC said immediate action was needed. KOSUTIC also suggested that KURNICK arise at the banquet for BEBLER to ask that such a resolution be passed. KOSUTIC said that Slovenians and the Croats had lived in Trieste for a long time, and the Italians had come there only after World War I. It appeared to the informant that KURNICK agreed to make this appeal at the banquet because KOSUTIC said he would tell RAPO IVANCEVIC and ALES BEBLER what KURNICK planned to do. (T-3, 4/2/52).

During this period Consul General IVANCEVIC was especially active in this field, contacting leaders of Yugoslav groups in San Pedro, Fontana, Los Angeles and Portland urging them to send protests to the State Department and the United States Congress. (T-2).

KOSUTIC was not noted in playing a large role in this episode, except in the interview with KURNICK and in one contact with Rev. MIRO VUISICH. KOSUTIC asked the Rev. VUISICH if Los Angeles Serb organizations had done anything about Trieste. Rev. VUISICH said they had not. KOSUTIC told him that this was not so good because already organizations in San Pedro, Fontana and elsewhere had protested. KOSUTIC told Rev. VUISICH to get in touch with GEORGE KOVACEVIC and see what could

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On done. (T-2, 5/23/52).

INHERITANCE PROBLEMS

KOSUTIC has heretofore been interested in inheritance matters; one such case involved the estate of ELY KOSKOTA (phonetic), and concerned property in Arizona. This case was being handled by the San Francisco Consulate, as well as that in Chicago and there was disagreement between KOSUTIC and Consul General VUKMIROVIC as to the proper course to be followed. KOSUTIC had discussed the property with Rev. MIRON VUKSICH, who advised that the property should not be sold at this time because the Portland attorneys for the Consulate in San Francisco, namely HAAS and SCHWABE, were allegedly trying to make a quick sale to a friend of theirs. Therefore, the Chicago Consulate had instructed HAAS and SCHWABE not to sell until they received further information. VUKMIROVIC was inclined to think that Rev. VUKSICH was being influenced in his opinion by friends in Arizona, and KOSUTIC thought his information was trustworthy.

Other problems in this particular estate which caused difficulty concerned disagreement between heirs in the United States and Yugoslavia and the question of reciprocity. VUKMIROVIC was making arrangements with another law firm and KOSUTIC commented that the Consulate at San Francisco had only HAAS and SCHWABE to deal with. (T-2, 4/3/52).

In previous period KOSUTIC had also commented concerning the attorneys which were serving the Consulate in these estate matters and he had expressed a desire to find some additional representatives. He felt that the charges made by HAAS and SCHWABE, which were 15% of the net of estates in simple matters and on up to 33% in difficult cases, was too high a figure. (T-1, 3/12/52).

At the same time, KOSUTIC asked HAAS and SCHWABE for the names and addresses of law firms who collaborated with HAAS and SCHWABE, saying that in their travels around, the Consulate officials would like to drop in and meet some of these people. (T-1, 3/18/52).

MISCELLANEOUS

KOSUTIC received instructions from Belgrade which included criticisms of their work report. Belgrade said that their report showed a lack of analysis and it indicated they believed this had happened because the Consulate was submitting its reports to the Consular Section of the Ministry of Foreign Affairs, which was interested only in the normal work of the Consulate and passed over all other questions. The Consulate was therefore instructed that henceforth their report was to be divided into three sections, as Consular Work, Emigrant Affairs and Political Problems. These separate parts were to be sent to the Consular Section, to Section Six for Emigrant Affairs and to the Third Regular Section, respectively. (T-1, 3/12/52).

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KOSUTIC had the following activity early in January 1952. These notations are of interest to show how KOSUTIC operated on those particular dates.

On January 2, 1952, KOSUTIC indicated he worked in the office all day, and that Consul General R'FO IVANCEVIC was still not back from Los Angeles.

On January 3, 1952, KOSUTIC spent the entire day in the office. Consul General IVANCEVIC returned and they discussed with stenographer VUKOSAVA VUISICH her unfriendly and laconic attitude toward her quarters and life abroad. They did not hold a work meeting.

On January 4, 1952, KOSUTIC prepared his material for the monthly reports of November and December. He commented that they still did not hold their work meeting, although he had called the attention of IVANCEVIC to the necessity of having same because of the problems at the office. (T-1, 3/28/52).

T-1 stated he believed that KOSUTIC had written articles in the Yugoslav language press under an assumed name. He based this on the following information.

In October 1951, KOSUTIC and his wife visited at the home of GEORGE POROVIC in Sunnyvale, California. TAN SPREMO, an elderly Yugoslavian who has devoted himself to extensive reading, was present but could not speak out because of two un-named persons also present who had made so much money that they were "blaves to their own capital." SPREMO revealed that he had been writing articles for the Yugoslav press and sending them to KOSUTIC, who signed them with a fictitious signature and sent them on to such Yugoslavian newspapers as "Novi List." One such name used was MILICA POROVIC. SPREMO, at that time had composed something also concerning NIKOLAJEV TELEGAJU, which he sent on to KOSUTIC for his study. He asked that if KOSUTIC was to use this material, he was to sign it with the word "Montenegrin." (T-1, 2/28/52).

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